

AN ACT

ENTITLED, An Act to revise certain provisions pertaining to the South Dakota Retirement System, the South Dakota deferred compensation plan, and the South Dakota special pay retirement program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 3-12-70 be amended to read as follows:

3-12-70. The date when the participation of the employees of a participating unit may commence shall be at the beginning of the first month of a calendar quarter.

Section 2. That § 3-12-76.3 be amended to read as follows:

3-12-76.3. A member who elects to withdraw accumulated contributions as provided in § 3-12-76 or 3-12-76.1, or a member's surviving spouse or nonspouse beneficiary who receives a lump-sum payment pursuant to § 3-12-110, may receive the distribution directly. Eligible rollover distributions may be transferred by the system in a direct rollover to no more than one eligible retirement plan identified by a member, a member's surviving spouse, or a member's nonspouse beneficiary if the individual so elects. The board shall promulgate rules pursuant to chapter 1-26 to comply with federal mandates regarding rollover distributions. The system is not required to make an independent determination as to whether the plan identified by a member, surviving spouse, or nonspouse beneficiary qualifies as an eligible retirement plan. By electing a direct rollover and identifying the eligible retirement plan to which an eligible rollover distribution is to be made, a member, surviving spouse, or nonspouse beneficiary represents to the system that the identified plan qualifies as an eligible retirement plan. If a member, surviving spouse, or nonspouse beneficiary does not elect a direct rollover, the distribution shall be issued in the name of, and directly to, that person.

Section 3. That § 3-12-80 be amended to read as follows:

3-12-80. If a person whose accumulated contributions have been refunded since July 1, 1974,

reenters the system, the person may elect to redeposit the accumulated contributions, with compound interest at the assumed rate of return between the date of withdrawal and the date of redeposit. The redeposit shall be made within two years after reentry into the system and the credited service forfeited when contributions were refunded shall then be reinstated; any employer contributions forfeited at the time of refund shall be reinstated; and the member, except as provided in § 3-12-131, shall be regarded as having never refunded.

Any withdrawals of additional contributions made pursuant to § 3-12-104 shall be considered accumulated contributions for purposes of redeposit to reinstate the credited service forfeited when contributions were refunded.

Section 4. That § 3-13-54 be amended to read as follows:

3-13-54. The board may adopt rules pursuant to chapter 1-26 concerning the time and amount of compensation which may be deferred, the persons who may participate in the plan, the conditions of participation, the time and manner in which accumulated deferrals may be made available to a participant or beneficiary, the establishment of administrative changes and participation by political subdivisions. Except pursuant to the provisions of an automatic enrollment feature established under subdivision 3-13-56(4), in no event may the accumulated deferred compensation become available to the participant prior to thirty days following the participant's separation from employment with a participating employer unless such participant is faced with an unforeseeable emergency as determined by the board. If a participant returns to service with a participating employer within thirty days following separation from service, the accumulated deferred compensation is not available to the participant.

Section 5. That § 3-13A-20 be amended to read as follows:

3-13A-20. The board shall establish by rule promulgated pursuant to chapter 1-26 the parameters under which a participant, a participant's surviving spouse, or a participant's beneficiary may transfer

a portion or all of the participant's account by rollover to a plan which is an eligible plan under the code.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1013

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1013

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State